

Supplemental Addendum

Exhibit No. 4
 Date 3-9-2011
 Bill No. HB 366

Borrower/Client	TIMOTHY ROARK & CAROL LEE-ROARK		
Property Address	1550 COTTONTAIL RD.		
City	GALLATIN GATEWAY	County	GALLATIN
State	MT	Zip Code	59730
Lender/Client	QUICKEN LOANS/TSI APPRAISAL SERVICES		

• Adverse Environmental Conditions

The subject site does not have a history of commercial or industrial use and the adjacent single family residences do not have nor appear to have any adverse toxic/environmental problems. There are no known underground oil tanks and there are no areas observed with stains in the ground with suspect dead or excessively stressed vegetation. There are no drainage sumps nor any other surface water channels observed in the property. There are no major debris, trash or junk disposal areas observed on the property.

Unless otherwise noted in this report, the existence of hazardous substances, including without limitations, asbestos, polychlorinated biphenyls, petroleum leakage, agricultural chemicals, lead, pest infestation or other environmental conditions, which may or may not be present on the property, was not called to the appraiser's attention, nor did the appraiser become aware of such during the course of the appraiser's inspection.

This appraiser assumes no present or future conditions adverse conditions such as Radon Gas emissions and no obvious mold was present at the time of inspection.

There is not likely to be any lead or lead based paint due to the age of the improvement, 1992.

The appraiser is not a qualified to test for such substances and unless otherwise noted, the opinion of market value is predicated on the assumption that there is no such condition on or in the property, or in proximity to, that would cause a loss of market value. No warranty is assumed, expressed or implied, for any such condition, nor for any expertise or engineering knowledge required to discover them. To the best of this appraiser's knowledge the existence of any observed condition does not have an impact on the marketability as of the effective date of this appraisal unless otherwise noted in the appraisal report.

• URAR: Cost Approach Comments:

The subject is located on an oversized lot. The land sales selected include acreage sites that have recently sold. Because of the downturn in new home development, there were few vacant land sales of acreage sites ranging from 4 to 10 acres in size from which to select comparable sales. The closest and most similar to the subject were selected and included below.

Vacant Land Sales

1. Tract 4, Minor Sub. #424	04/15/2010	2.43 ac	\$55,000	REO sale
2. Tract 3, Minor Sub. #424	04/15/2010	1.51 ac	\$55,000	REO sale
3. Tract 2, Minor Sub. #424	06/25/2010	1.34 ac	\$52,900	REO sale
4. Lot 6, Block 1, Spanish Mead.	10/30/2009	1.05 ac	\$134,000	Standard
5. Lot 13, Block 1, Spanish Mead.	7/15/2009	1.32 ac	\$100,000	Standard
6. Tract 2, COS 2744, Churchill.	05/21/2009	2.54 ac	\$ 70,000	Standard
7. Lot 26B, COS 518-A1	05/03/2010	10.00 ac	\$175,000	Standard

The subject site is larger than the comparable land sales. However, the site is located in a minor subdivision in an area adjacent to an operating gravel pit.

The view of this gravel pit is shielded by berms situated around the perimeters of the gravel pit. However, the subject is still affected by dust, reduced water table levels, noise during operating hours etc.

There have been a number of studies which outline the effects gravel pits have on property values. One such study, prepared by George A. Erickcek, dated 09/15/2006, examines indepth their economic effects on residential properties in Ohio. In this analysis, through the use of regression analysis, the authors conclude that there is a noticable negative effect on market values most especially noted in the time period immediately following an announcement of an impending pit opening. This study encompasses a time period from 1996 through 1998 when the rate of home value increases were nominal and includes data on 2,552 homes. The model extracted effects of site size differentials, room counts, additional amenities and square footage. The study concluded that the closer the proximity to a gravel mine, the greater the loss in value.

The State of Montana had also conducted a study in Big Fork, Montana but this study included analysing the effects of a gravel mine with a data set of only 25 sales outside the sphere of influence of the gravel mine comparing them to 6 homes located within proximity to an existing gravel mine. The number of homes examined, only six, reduces the overall credibility of this study. Not surprising, the author concludes that the operation of a gravel mine would have no negative marketability effects on homes located within close proximity to the gravel mine.

The announcement by area developers who had purchased land south of Interstate 90 between Belgrade and Bozeman in order to develop residential subdivisions that due to lagging demand for housing, the acreage would be developed into a gravel mine.

The county commissioners were at that time discussing implementation of a county wide zoning ordinance for unincorporated Gallatin County. Thus, discussion followed how to legislate gravel pits.

The State of Montana essentially considers such open pit mining for gravel to be an adjunct agricultural activity.

The subject is located within a mixed-use neighborhood, with many local businesses developed along Highway 191 and larger undeveloped agricultural tracts interspersed with smaller in-fill subdivisions. The area is in a state of transition from an agricultural and extraction based economies to a service based economy.

Most ten acre sites in the Bozeman "donut" that area surrounding the City of Bozeman range in sales prices from \$170,000 to as high as \$635,000 depending upon Forest Service access, views and water amenities.

The appraiser has reviewed sales of land in and around the subject's market area and has concluded a 50% discount for the subject's location, across the street from TMC Gravel Mine on Cottontail Road.

These factors site size and neighborhood influence affect the estimated site value as though vacant for the subject.

The concluded estimated market value for the subject site as though vacant is \$100,000.

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